
SPECIAL ISSUE: CLIMATE CHALLENGE

INTRODUCTION

James Goodman and Stuart Rosewarne

Over the course of 2009, a group of climate change researchers and activists came together, calling ourselves a ‘Climate Action Research Group’. Our aim was to reflect on our mounting frustration with the tenor of the climate change debate, the policy initiatives being formulated in Australia and the lack of progress in international negotiations to secure commitments to contain the rapid growth in global atmospheric concentrations of greenhouse gas emissions. With a view to canvassing a range of concerns and in the interest of igniting more robust debate, we decided to organise a forum to engage voices from across a spectrum of environmental non-government organisations and climate change researchers. Representatives from several leading environmental NGOs and researchers were invited to lead discussion in an open forum on recent climate change debate to provide a richer understanding of the realpolitik of climate change policy in Australia and in the international negotiations. In doing so, we were keen to contemplate the dominant discourses and practices that seemed to hamstring any tangible endeavours to contain climate change and the obstacles to progressing more constructive and meaningful outcomes.

There were a number of setbacks in the debate and policy formulations that unfolded over the latter months of 2009 that gave further purpose to this project. There was some promise at the prospect of the Australian government moving ahead on the nation’s Kyoto commitments following the election of the Labor Party to federal government in November 2007. While guarded, this evaporated over the course of 2008 and 2009. Speaking as leader of the Opposition before the election, Labor’s then leader, Kevin Rudd, had declared climate change to be "the greatest

moral, economic and social challenge of our time" and called for a 60% cut in greenhouse gas emissions before 2050. This declaration seemed to be much more than just rhetoric because the first official act of the newly-elected Labor Party was to ratify the Kyoto Protocol. Prime Minister Rudd was received with acclaim by participants at the Bali Climate Change Conference held in December 2007 when he presented the ratification documents to the United Nations General Secretary. There was also the possibility that some concrete initiatives could emerge from the Labor Party's engagement with the climate change debate, particularly with the Garnaut Climate Change Review Interim Report that had been commissioned by State and Territory Labor governments and the federal Labor Party while in opposition, in February 2008, and the release of a series of related reports culminating in the Garnaut Climate Change Report in July 2008.

However, it was not long before this political promise was eclipsed by the abandonment of any meaningful commitment to emissions reduction. A paltry target of unconditional 5% emissions-reduction-by-2020 target was declared as the Government's key objective. Moreover, the means of achieving this, the so-called Carbon Pollution Reduction Scheme, was buoyed by a raft of concessions and subsidies to the big emitters. These were then expanded following negotiations with the Liberal Opposition, then led by Malcolm Turnbull, in order to secure passage of the Carbon Pollution Reduction Scheme Bill. An internal Liberal Party furore unseated Turnbull as Leader of the Opposition, and saw him replaced by the climate change denier, Tony Abbott. With the Green Party voting against the Scheme as an ineffective measure, the two parties successfully blocked the Bill in the Senate. The political fall-out fatally undermined Rudd. His replacement as Labor leader and Prime Minister, Julia Gillard, then pushed Labor's commitment to climate change policy into the shadows.

This retreat from substantive action was also reflected in the international climate change negotiations. The December 2007 United Nations Framework Convention on Climate Change deliberations highlighted the great difficulty in garnering a global commitment for effective action. The Bali Road Map did seek to chart some direction for subsequent negotiations, and Bali introduced some new elements to the negotiating table. Most obviously Bali positioned the 'Reducing Emissions from Deforestation and Forest Degradation' scheme as a key mechanism, which as a carbon credit offset mirrored some of the worst aspects of the

Kyoto Protocol and in particular the Clean Development Mechanism. It also offered mechanisms to engage the developing nations of the South more systematically in global efforts to contain emissions, including measures to facilitate the transfer of technology and a proposal for financing support for adaptation initiatives. But there was no progress to speak-of in the subsequent UNFCCC negotiations at Bonn in June 2008.

The urgent need for critical reflection on climate change politics was intensified by the dismal failure of the Copenhagen COP15 meeting in December 2009. Copenhagen was perhaps the most robust meeting of all the UNFCCC deliberations to date, given the resources that governments and businesses threw at the negotiations, and the extraordinarily active participation of environmental non-government organisations. The efforts of the Danish state to frustrate the NGOs' lobbying endeavours did little for positive and democratic outcomes, the Copenhagen Accord being a last minute stitch up among a small group of powerful nations. Copenhagen had a ricochet effect on the Australian political landscape, undermining the Labor government's climate change agenda and, more particularly, confidence in Prime Minister Rudd who had invested so much personal energy to take a lead role in the negotiations. The failure proved to be a further undoing of Rudd's leadership and thus his Prime Ministership and it ultimately cruelled the Labor government's climate change policy strategy.

Such was the context in which the forum behind this special issue of the *Journal of Australian Political Economy* was organised. We invited researchers and activists to contribute papers across four key debates. The day commenced with presentations on carbon markets and regulation for renewables that included contributions from Owen Pascoe, on behalf of the Australian Conservation Foundation, and John Connor from the Climate Institute. This session was followed with a debate that focused on technological pathways towards a sustainability versus a low-tech, eco-sufficiency future. An afternoon session turned attention to other emergent political projects and, in particular, to climate justice campaigns. The concluding section drew on the experiences of the Climate Action Network Australia, Friends of the Earth and the Australian Youth Climate Coalition. Debate over the day was lively and constructive. Participants were subsequently invited to develop their presentations for possible publication. The *Journal* then issued an open invitation for contributions for this special issue on climate change.

Several papers, in addition to those that emerged from the forum, were submitted, and all papers were subjected to blind review.

An Overview of the Special Issue

Our intention has been that this special issue of the Journal of Australian Political Economy should present some new and controversial insights into the climate change debate, and we hope it delivers.

The first two papers, by Ben Spies-Butcher and Stuart Rosewarne, respectively examine the purported economic foundations of the Australian policy focus on market-based measures. In different ways, each paper emphasises the lack of integrity in proposed policy frameworks, and highlights some of the ostensible theoretical foundations of the policy proposals and the contradictions that flow from this. With their different emphases envisaging a sustainable future, the presentations by Mark Diesendorf and Ariel Salleh provided perhaps the more controversial session of the forum, and the papers published, along with the paper by Greg Buckman here, underscore this impression. Buckman identifies some of the limitations that stand in the way of satisfactory progress on a renewable energy ambition. Diesendorf seeks to paint a positive scenario, arguing that the effectiveness of this ambition needs to be tied to a ‘no-growth’ or steady-state economic program. Somewhat controversially, he positions his intervention in opposition to the concerns advanced by red-green environmentalists and ecofeminists by identifying three objectives that must be met: energy efficient technologies, reduced consumption and population control. Diesendorf’s vision of “an ecologically sustainable and socially just society” is framed in terms of the steady-state economy thesis, and this is counter posed to the ecosufficiency position advanced by Salleh, but he leaves open the red-green question. Needless to say, the different components of this steady-state economy thesis will invite some interest and questioning especially in so far as the form of this society is somewhat ill-defined.

One question that Diesendorf asks is “whether the [envisioned steady-state] economic system can still be described as capitalism?” The question is left hanging, and yet this is perhaps among the most crucial of the preoccupations that framed the contributions in this special issue. While there is unanimity in identifying the fossil-based energy-intensive

economy as causing the explosion in greenhouse gas emissions, most contributors concur that this is more than a technological challenge. The development of capitalism has been predicated on the burning of fossil fuels, and fossil fuels have fired the engines of capitalism's exponential growth.

The general consensus of the papers seems to be that climate change can only be arrested by bringing an end to economic growth, and this necessarily means confronting the irreducible imperative of capital to accumulate. But the form that this post-growth vision would assume is the subject of some debate. One emphasis urges a recasting of the organisation and focus of production, and, explicitly or by inference, advocate a more radical social transformation than Diesendorf envisages. Salleh's paper rejects high-tech ecological modernisation solutions altogether – on both ecological and social justice grounds – adopting an approach to climate change inspired by the low carbon economic models developed by many cultures in the global South. Salleh is joined by James Goodman in making the case for abolishing the capitalist conception of the structure and nature of work, including the constitution of labour – and nature – as a commodity, with the object of abolishing labour's alienation from nature. They aim to heal the metabolic rift created by capitalism, to reconstitute a markedly different relation with nature, one framed in terms of regenerative labour. Anitra Nelson also charts nature-society relations beyond capitalism, presenting a spatial dimension, that replaces the market system based on commodity production with a more locally-oriented economy.

A New Internationalism?

Many of the contributions are also concerned to address the inseparability of climate change policies at the national and global levels. Climate justice is an organising theme that forces consideration of how the policy emphases formed under the United Nations Framework Convention on Climate Change may contribute to deep-seated global inequalities, overlooking the ecological debts of the global North's material expansion. The social and political forces that challenge this order are explored in the context of the different dimensions of global climate justice campaigns by several papers, as are the ideas of the shape of a socially and ecologically sustainable future that draw on these

struggles for their inspiration. Geoff Evans examines the struggles to contain coal mining and the generation of fossil-fuel based electricity in the Hunter Valley. Moving from the local to the global, Patrick Bond and Michael Dorsey analyse how this climate justice struggle is being played out internationally. In a powerful critique of the role of one individual who has contributed to the hegemony of the neoliberal, fossil-fuel order, they also highlight the measure of the forces that must be confronted in the struggle for climate justice. The study by Stephanie Long, Ellen Roberts and Julia Dehm explores this challenge in their examination of global environmental NGOs efforts to block the UN-proposed Reducing Emissions from Deforestation and Forest Degradation initiative. The study highlights the dilemma that confronts climate justice activists of deciding whether it makes strategic sense to participate within the UNFCCC deliberative processes and face the possibility of incorporation, or to continue to campaign outside and against the process.

Envisaging these futures, in turn, prompts other contributors to reflect on how this social transformation might be progressed. Linda Connor, drawing on anthropological insights, considers the different forces, social, psychological and material, that can frustrate support for climate change action. Rebecca Pearse complements this analysis to critically reflect on the effectiveness of the social and political forces that have emerged to challenge the hegemonic market-based, neoliberal commitments to growth. These explorations of climate justice campaigns point to one hopeful strategic direction, and one that is bound up with envisaging a sustainable future – a new kind of internationalism, one that some papers advocate should enjoin the people’s agenda as defined at Cochabamba.

The World People’s Conference on Climate Change and the Rights of the Mother Earth was held at Cochabamba, Bolivia, in April 2010 as a way of superseding the failed Copenhagen talks. However, the UNFCCC has remained unresponsive to the people’s recommendations formulated by the 35,000 global citizens who participated. Instead, the most recent UNFCCC negotiations, held in Cancún in December 2010, have delivered what the mainstream media has described as a “modest deal” for progressing agreement on schemes to reduce deforestation, supporting the transfer of low-carbon technologies and establishing a ‘Green Fund’ to shield countries from the effects of climate change. But, despite commitments by all major economies to reduce emissions, the

commitments remain voluntary and even these will not be sufficient to keep global emissions temperature increases below 2°C. Some estimates now suggest that if the Cancun commitments are realised, the earth is on course for a 3°C+ warming, creating catastrophe for the countries of the South.

Indeed, the Cancún negotiations have done little more than lock the emphasis of the international climate change policy focus into market-based mechanisms. The role of the World Bank, through the establishment of the Green Fund, would be enhanced without any real check on its commitment to underwriting international economic growth, growth that would continue to rely upon increased burning of fossil fuels. The Cancún negotiations fail to address climate debts – owed by the global North to the South – and the burden that this imposes on people's livelihoods. Meanwhile, the supposed panacea of revenue-earning opportunities to be had from the South engaging in carbon credits through REDD and CDM schemes would simply displace the crisis and override the rights of indigenous communities.

Rather than pursuing this market-based agenda, in which solutions are proffered in terms of putting a price on carbon and marketising the commons, the papers in this special issue point to the necessity for more direct non-market action. This is not a call for state intervention, but more one that engages social forces to reclaim humanity's connection with ecology. Many contributors point to the inadequacies of current climate policy, domestically and in international contexts, calling for an urgent rethink. A key concern is the reliance on indirect market-based solutions that aim to re-price carbon and shift incentive structures, and thereby de-carbonise.

Towards Direct Climate Policy?

The current policy debate centres on market mechanisms. Re-pricing is said to internalise externalities, thus correcting market failure, to set us off on a new low-carbon growth trajectory. There are differences on the detail: some advocate emissions trading through a state-run market to seek-out lowest-cost emissions reduction; others favour carbon taxes whether on producers or consumers as a more predictable means of repricing for existing commodity markets. While both approaches are

presented as pro-market, ironically enough, electricity pricing in Australia is fully regulated.

Indirect market-based schemes may conform to the dominant orthodox mythologies, but are they adequate? We would suggest there are at least four important tests.

One, will repricing penalise the extraction of fossil fuels? No, we are told it is the burning of fossil fuels that must be targeted, not their extraction. So, while mining companies continue to reap super-profit, as Rudd called it, power stations (and power consumers) will foot the bill. As such, repricing, whether through a tax or emission trading, creates no direct disincentive to extraction. The only question is how will the revenues be spent, and the corporates are already lining up. Take Marius Kloppers, for instance, chief of the world's largest diversified mining company, BHP Billiton, who is a recent convert to a 'revenue neutral' carbon tax (Lee 2010). And Greg Combet, the current Minister for Climate Change, who is happy to compensate the corporates, whatever scheme gets up (Maiden 2010).

Two, what scale of re-pricing will deliver de-carbonisation? Re-pricing must be sufficiently punitive to produce the required shift from carbon dependence. In Australia it is suggested that a carbon price of \$40 a tonne of greenhouse emissions would incentivise renewables to about a third of energy needs, leaving coal and gas to account for the rest (Diesendorf 2009). While it is questionable whether this is in any way adequate, it is also highly unlikely: even the Green Party's \$20/tonne tax would only rise to about \$30/tonne in 2020. On these terms the scheme fails.

Three, will the resulting reduced carbon intensity be offset by accelerated growth in overall energy demand? This has been the experience of repricing where it has been most forcefully applied, through carbon taxes in Sweden, Norway and Denmark, from the early 1990s. Of these three countries, only Denmark delivered significant per capita emissions reductions – 15% lower in 2006 than in 1990 – but mainly by directly spending tax revenues on energy efficiency and renewables, not by shifting incentives (Prasad 2008; Giddens 2009).

Four, will the costs of addressing climate change be displaced to those least responsible for it and least able to pay? A carbon tax makes fossil-fuel fired energy more expensive to produce: it increases the overall energy price structure in order to make renewable energy more

competitive. Whether it succeeds in reducing emissions, the price hike is passed on to consumers. Revenue flows may be used to compensate low income consumers, but compensation is unreliable and unlikely to keep pace with rising costs; revenue for corporate welfare, for the large emitters, is likely to be more reliable.

As demonstrated by the EU ETS, and with Rudd's version, emissions trading is especially vulnerable to policy capture by dominant market players. Carbon taxes are not immune – demonstrated in December 2009 when the French constitutional court ruled that the proposed Sarkozy carbon tax unfairly favoured corporates (through exemptions for 93% of industrial emissions) (Parussini 2009). Not surprisingly the tax was dumped.

We are now witness to a growing international disillusionment with indirect market-based measures. Many have speculated about cause of the apparent shift in public opinion to the climate sceptics – citing the financial crisis, or the corporate-funded campaign as turning the tide. More important is a healthy scepticism of climate policy that funds polluters and shifts the burden to consumers. If climate policy is captured for elite interests, where do the mass of people sit? If you are presented with a choice between the status quo and a patently unjust climate policy, that is in any case grossly inadequate, which would you choose? Given the uncertainties, and indeed the urgency to generate substantial emissions reductions immediately, what are the prospects for more legitimate direct measures, both in the form of expenditure and through direct regulation?

Clearly a 1.5 °C temperature rise on pre-industrial levels, and no more than 350 ppm CO_{2e}, is the only objective consistent with climate justice (Greenhouse Development Rights 2009). In April 2010 atmospheric CO₂ stood at 392 ppm. The 1.5 °C target thus requires long term 'draw down' of existing carbon pollution into carbon sinks, as well as immediate drastic cuts in future emissions. If we extrapolate from 350 ppm then global reductions in total greenhouse emissions by more than 85% below 1990 levels by 2050 are required. Reflecting historic responsibility this should be achieved by a 100% cut by 2050 for industrialised countries; reflecting present day emissions, meeting a 350 ppm reduction would also require strong new emissions reductions for industrialising countries (Alliance of Small Island States (2009).

Given these imperatives, what might a progressive climate policy look like? What non-market direct action measures are available? As members of the Climate Action Research Group, and as guest editors of this volume, we have developed the following sketch of a schema.

First, and foremost, we need to direct the economy and society to regenerative sufficiency, away from the productivist exploitation of natural resources (in particular fossil fuels). New norms of development are required to shift to forms of regenerative growth, growth that enhances ecology rather than exploiting and diminishing it. These norms must drive and underpin any 'direct action' program proposed.

Second, regeneration must be bound-in with global climate justice, through climate debt repayments. This would entail supporting Trust Funds to address adaptation and mitigation needs in the Global South, with the scale of obligation calculated both as an expression of the ratio between Australian per capita emissions and the global average, and as an expression of historic emissions debt. Such mechanisms should fund immediate emissions reductions in the South, given the loss of a Southern 'emissions window' with a 350 ppm target.

Third, localisation and social justice must guide the regenerative model. The national energy market must be dismantled, to disaggregate and scale-down the base load power system. Decentralisation of energy supply can enable localisation of energy production, and democratisation of provision. Equally, localisation of energy supply can outflank the fossil fuel power sector, allowing direct delinking from the coal cycle, and from energy dependence. It is also an antidote to cost-shifting, removing reliance on social protection by directly addressing energy poverty under the climate transition. There are also direct remedies for the transport sector – for public renewable transport, vehicle emissions standards, or car-free cities – which, again, cut emissions and promote social justice.

Fourth, regulatory instruments must be deployed for large domestic industrial emitters: minimum reductions in emissions could simply be announced for the 1000 companies and agencies listed under the Rudd CPRS, which account for about 70% of emissions in Australia. Compliance with the CPRS targets has already been assessed as having comparatively minimal impact on these companies, whether or not they claim special privileges as 'energy-intensive' or 'trade-exposed' companies (Daley and Ellis 2010). Sanctions for breaching a 30-year

phase-out of emissions could include hefty fines, fixed as a fine per tonne of excess emissions. Entities failing to meet required emissions reductions could ultimately be compulsorily acquired by a new Commonwealth agency, with reasonable compensation to shareholders.

Fifth, direct action requires directly decommissioning coal power and coal exports. Large-scale energy supplies must be transformed with the closure of fossil-fuel dependent power stations, and public investment redirected into a publicly-owned renewables industry. A halt on all new mines, and a just transitions program for the wholesale decommissioning of coal mining for export is central to support renewables internationally. Reductions in export volume could be simply achieved through mandated reductions in mine output. There may be legitimate claims for compensation from investors, although with climate change on the agenda for two decades, it is clear they should have accounted for the risk. More real may be specific obligations to assist countries importing Australian coal, to reduce coal dependence.

Sixth, public funds for de-carbonisation could be raised through progressive direct taxes. Hypothecated carbon income and corporate taxes could be imposed to fund renewables, to finance just transitions in coal-dependent communities, and to meet international obligations. Such taxes have a progressive effect on income distribution, ensuring that the cost of emissions reduction are borne by those most able to pay. Such direct taxes would complement direct non-market regulatory measures: in contrast, the incentive-based logic of indirect taxation would clash with direct efforts at limiting emissions and decommissioning. But recognising that direct decommissioning can only extend across the national jurisdiction, there would also be a need for taxes on importing embodied carbon, such as in the form of tariffs on the emissions content of imports.

Seventh, and finally, systematic expansion of sink capacity is required as a key component. Meeting the 350 ppm target requires 'drawing down' CO₂e on a massive scale. If we reject geo-engineering as inherently high-risk, then the chief mechanism to do this is by changing land use patterns, both to retain stored emissions and to expand sinks, through afforestation and changed agricultural practices, in relation to both livestock and arable production. Clearly this requires a range of direct land regulations, which will shift the meaning of land ownership.

These parameters of direct action are becoming more salient as climate change accelerates. Market-based measures such as a carbon tax are inadequate, and open to elite capture. Positive transformative agendas, centred on the regenerative models for transformation, open up new possibilities. We anticipate that ideas like these, and others promoted in this Special Issue, will gain traction in the coming years, creating real solutions to the climate crisis.

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